

Message

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Sent: 2/7/2018 8:51:36 PM
To: Jamie Rosenberg [REDACTED]@google.com]; Sameer Samat [REDACTED]@google.com]
CC: Paul Feng 馮友樸 [REDACTED]@google.com]; Larry Yang [REDACTED]@google.com]; George Audi [REDACTED]@google.com]; Purnima Kochikar [REDACTED]@google.com]; Tia Arzu [REDACTED]@google.com]; Tian Lim [REDACTED]@google.com]
Subject: GPB Grandfathering Discussions update

Privileged and Confidential

Jamie & Sameer,

Just a quick update that George and I have had discussions with Netflix and Spotify respectively regarding the Google Play Billing grandfathering proposal and shared these mocks with their teams.

Good news: Neither partner seemed super concerned about integrating with Subscription Center, though both asked if this would be 'retroactive' or only for subs acquired through their flow after Play Billing integration. *We need to discuss more internally.*

Less good news: Neither partner was particularly moved by the continued offer of 10% rev share where ever they are all in on GPB. Both still think the economics are not there.

Not good news:**Spotify**

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- Spotify still thinks they'll have to charge more for users acquired using GPB. This does not work with our current proposal.
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- Spotify primary UX concerns were about up-selling in buy flow and placement of the 'entry point to Spotify billing' <- feels buried
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- **Spotify is going to come back to us sometime during the week of 2/12 with a counter-proposal which they tell us we're "probably not going to like".** Interestingly, Sue said they are hopeful we can arrive at a mutually agreed middle ground that could be applied to "other stores."

Netflix

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- Netflix maintains that they should be treated differently from other developers because "not everyone gets a front row seat at the stadium".
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- Netflix asked if they could use Google Pay instead of GPB because it 'looks just like GPB'. We explained this is not the case and that Google Pay has several limitations including FOPs, reach, etc. in addition to primary use case prohibitions (not to be used for digital goods in-app).
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- Netflix is still continuing to test consumption-only vs. Play Billing. Their appetite for this grandfathering proposal will be impacted by the delta in results they see between both options.

Both

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EXHIBIT 1440

- Neither partner responded well to the idea of timeboxing the grandfathering period. Spotify simply doesn't believe "handing over control to a platform will ever be good for our business".

Next Steps:

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- We are awaiting Spotify counter-proposal due week of 2/12
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- Netflix is reviewing mocks with their team and will return with feedback soon

Full notes: Spotify / Netflix.

Please let us know if you have any questions.

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